

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

December 11<sup>th</sup>, 1996

### MINUTE NO. 19

9:30 a.m. — Room 10

1. **PRESENT:** Mr. Gantefoer in the Chair and Members Aldridge, Flavel, Haverstock, Koenker, Pringle, Sonntag, Stanger, Thomson and Toth.

#### **Provincial Auditor's Office**

Wayne Strelloff, Provincial Auditor

Fred Wendel, Assistant Provincial Auditor

Mobashar Ahmad, General Director (*for Chapter 10*)

Leslie Wendel, Manager (*for Chapter 10*)

Rod Grabarczyk, Manager (*for Chapter 10*)

Kelly Deis, Auditor (*for Chapter 10*)

#### **Provincial Comptroller's Office**

Terry Paton, Provincial Comptroller

Chris Bayda, Director, Financial Management Branch

Elaine Wood, Senior Analyst, Financial Management Branch

Jim Fallows, Manager, Financial Management Branch

Dave Tullock, Senior Analyst, Financial Management Branch

2. The Committee resumed consideration of recommendations N.3 and N.4 of Section N of the *Schedule of Provincial Audit Recommendations (SaskPen Properties and SP Two Properties Ltd.)* and initiated consideration of Chapter 22 (Greystone Capital Management Inc.) of the *Spring 1996 Report of the Provincial Auditor*. The Provincial Auditor and Mr. Wendel provided an overview of the recommendations and responded to questions.

The following witnesses appeared before the Committee (re: PAC Minute 13, October 8<sup>th</sup>, 1996):

Donald Black, President, Greystone Capital Management Inc.

Nancy Croll, Chair, SaskPen Properties and Chair, SP Two Properties Ltd.

3. Mr. Black made a presentation to the Committee and responded to questions.

Mr. Black tabled the following document:

**PAC 12/23 - Greystone Capital Management Inc.:** Supporting Documentation to the presentation of Mr. Donald Black, President, made to the Standing Committee on Public Accounts on December 11<sup>th</sup>, 1996.

4. The Committee deliberated on the subject of the Provincial Auditor's recommendations contained in N.3 and N.4 of the *Schedule of Provincial Audit Recommendations* and Chapter 22 of the *Spring 1996 Report of the Provincial Auditor*. It was moved by Mr. Sonntag:

That this Committee direct the Chair to seek legal opinions from the Legislative Counsel and Law Clerk, the Department of Justice, and request the legal opinions received by the Auditor's office and Mr. Black (SaskPen, SP Two and Greystone) as they pertain to the Auditor's recommendations related to Greystone, SaskPen and SP Two.

A debate arising and the question being put the motion was agreed to.

5. The Committee agreed to postpone consideration of the response of the government to the First Report of the Standing Committee on Public Accounts.
6. The Committee recessed at 11:18 a.m. until 1:30 p.m.
7. The Committee considered a date for a future meeting to consider legal opinions related to the Provincial Auditor's recommendations contained in N.3 and N.4 of the *Schedule of Provincial Audit Recommendations* and Chapter 22 of the *Spring 1996 Report of the Provincial Auditor*. It was agreed that the Committee would meet Monday, January 6th, 1997 at 9:30 a.m.
8. The Committee proceeded to consider Chapter 10 (Department of Education, Training and Employment) of the *Spring 1996 Report of the Provincial Auditor* and other matters related to the year under review. The Provincial Auditor and Mr. Ahmad provided an overview of the chapter. Officials of the Department of Education and the Department of Post-Secondary Education and Skills Training responded to questions put by Members.

The following officials appeared before the Committee:

**Witnesses**

Post-Secondary Education and Skills Training

Dan Perrins, Deputy Minister

Lily Stonehouse, Assistant Deputy Minister

Brady Salloum, Director, Student Financial Assistance

Tony Antonini, Executive Director, Finance and Administration, New Careers Corporation

**Witnesses**

Saskatchewan Education

Craig Dotson, Deputy Minister

John McLaughlin, Executive Director, Teachers' Superannuation Commission

Finance and Operations

Mae Boa, Executive Director

9. The Committee concurred with the recommendation made at paragraph 10.22, concerning the establishment of rules and procedures to compute changes to pension benefits, and noted that the Departments have taken steps to ensure compliance.
10. In consideration of the recommendation made at paragraphs 10.34, concerning whether school divisions and universities should report how well they safeguard and spend public money, the Committee came to the following conclusions. With respect to universities, the Committee concurred with the recommendation and noted that progress is being made to ensure compliance. With respect to school divisions, the Committee noted that the recommendation has been complied with as far as required by The Education Act.
11. In consideration of the recommendation made at paragraphs 10.35, concerning whether school divisions and universities should table reports in the Legislative Assembly on how well they safeguard and spend public money, the Committee came to the following conclusions. With respect to universities, the Committee concurred with the recommendation and noted that progress is being made to ensure compliance. With respect to school divisions, it was moved by Ms. Stanger:

That the Committee acknowledge the importance of locally elected school boards to safeguard public money, and acknowledge that the Department is continuing to seek to improve accountability to the public and to the Legislative Assembly.

The question being put, the motion was agreed to.

12. In consideration of the recommendations made at paragraph 10.39, 10.40 and 10.41, concerning information provided in the reports of agencies that the Department funds and the tabling of the said reports in the Legislative Assembly, the Committee came to the following conclusions. With respect to post-secondary education, the Committee concurred with the recommendations and noted that progress is being made to ensure compliance. With respect to school divisions, it was moved by Mr. Koenker:

That, with respect to K to 12 school divisions, the Committee notes the Department will consult with the Provincial Auditor and others with respect to improving public accountability of the province's public education system.

A debate arising and the question being put, the motion was agreed to.

13. The Committee concurred with the recommendation made at paragraph 10.46, that school divisions should use Canadian Institute of Chartered Accountants standards for financial statements, and noted that the Department is taking steps to ensure compliance.
14. The Committee concurred with the recommendation made at paragraph 10.56, concerning the establishment of rules and procedures by the Saskatchewan Institute of Applied Science and Technology (SIASST) to record contract revenues in the correct accounting period, and noted that SIASST has complied.
15. The Committee concurred with the recommendation made at paragraph 10.61, that SIASST should establish appropriate system development controls, and noted that SIASST has complied.
16. The Committee concurred with the recommendation made at paragraph 10.67, concerning the development of a long-term human resource plan by the SIASST, and noted that SIASST is working towards implementing the said recommendation.
17. The Committee concurred with the recommendation made at paragraph 10.75, concerning the establishment of an internal audit function that reports directly to the SIASST audit committee, and noted that SIASST has complied.
18. The Committee concurred with the recommendation made at paragraph 10.78, concerning the development by SIASST of procedures to determine expected benefits of any international operations, and noted that SIASST is working towards complying with the said recommendation.
19. In consideration of the recommendation made at paragraph 10.90, concerning the interest subsidy period for students who obtained loans from the Student Aid Fund in 1986/87, it was moved by Ms. Stanger:

That this Committee recommends the Department deal with any student who received a loan in 1986-87 and who requests a review of their repayment on a case by case basis.

The question being put, the motion was agreed to.

20. The Committee concurred with the recommendation made at paragraph 10.98, concerning the verification of critical information on student loan applications, and noted that the Department has complied.
21. The Committee concurred with the recommendation made at paragraph 10.110, concerning the need for accurate and complete data on members of the Teachers' Superannuation Plan, and noted that the Department has complied.

22. The Committee concurred with the recommendation made at paragraph 10.111, concerning the necessity of the Teachers' Superannuation Commission (Commission) to update its computer procedure manual, and noted that the Department has complied.
23. The Committee concurred with the recommendation made at paragraph 10.118, concerning the format and frequency of the Commission's internal financial reports, and noted that the Department has complied.
24. The Committee concurred with the recommendation made at paragraph 10.124, concerning timely tabling of the Commission's annual report, and noted that the said reports have been released and will be formally tabled at the next sitting of the Legislative Assembly.
25. The Committee concurred with the recommendation made at paragraph 10.131, concerning compliance of the Commission's investments with the law, and noted that the Department has complied.
26. The Committee concurred with the recommendation made at paragraph 10.136, concerning the registration of the Teachers' Superannuation Plan shares in Greystone Capital Management Inc., and noted that the Department intends to comply.
27. The Committee concurred with the recommendation made at paragraph 10.143, concerning the establishment of written rules and procedures for the preparation of New Careers Corporation (NCC) internal financial reports, and noted that the Department has complied.
28. The Committee concurred with the recommendation made at paragraph 10.147, concerning the need to use the accrual basis of accounting for NCC internal financial reports, and noted that the Department has complied.
29. The Committee concurred with the recommendation made at paragraph 10.150, concerning the provision of evidence that NCC management has approved changes to accounting records, and noted that the Department intends to comply by the end of the 1996-97 fiscal year.
30. The Committee adjourned at 4:40 p.m. until 9:30 a.m. on Thursday December 12<sup>th</sup>, 1996.

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Gregory A. Putz  
Committee Clerk

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Rod Gantefoer  
Committee Chair